



CITY OF ALAMEDA • CALIFORNIA

SPECIAL MEETING OF THE CITY COUNCIL
THURSDAY - - - NOVEMBER 6, 2008 - - - 7:25 P.M.

Location: **City Council Chambers**, City Hall, corner of Santa Clara Avenue and Oak Street

Public Participation


Anyone wishing to address the Council on agenda items or business introduced by Councilmembers Members may speak for a maximum of 3 minutes per agenda item when the subject is before the Council.

ROLL CALL

AGENDA ITEM

1. Adoption of an Urgency Ordinance Making Findings and Establishing a Forty-Five Day Moratorium on the Establishment or Expansion of Medical Marijuana Dispensaries. [Requires four affirmative votes] (Planning and Building)

ADJOURNMENT



Beverly Johnson, Mayor

Sign language interpreters will be available on request. Please contact Susie Brown at 749-5805 or 522-7538 (TDD number) at least 72 hours before the meeting to request an interpreter. Accessible seating for persons with disabilities (including those using wheelchairs) is available. Audiotapes of the meeting are available upon request. Minutes of the meeting are available in enlarged print. Please contact Susie Brown at 749-5805 or 522-7538 (TDD number) at least 72 hours before the meeting to request any other reasonable accommodations that may be necessary.

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Debra Kurita
City Manager

Date: November 6, 2008

Re: Adopt an Interim Urgency Ordinance, Making Findings, and Establishing
a Forty-Five Day Moratorium on the Establishment or Expansion of
Medical Marijuana Dispensaries

BACKGROUND

In November of 1996, California voters enacted Proposition 215, "The Compassionate Use Act of 1996", which allows a person to use marijuana for medical purposes, with a doctor's recommendation, without violating State law regarding possession or cultivation of marijuana. In October 2003, the State Legislature adopted SB 420 (Vasconcellos) "Medical Marijuana", which established further regulations related to medical marijuana. These regulations went into effect on January 1, 2004. These regulations include a voluntary program for identification cards for qualified patients and primary caregivers, limits on the amount of dried marijuana or marijuana plants per qualified patient, and confidentiality and privacy restrictions.

The original adoption of Proposition 215, as well as the enactment of SB 420, has created increased interest in the establishment of medical marijuana dispensaries. Several persons have made inquiries to the Planning and Building Department about locating medical marijuana dispensaries within the city limits. The City of Alameda currently does not have specific regulations governing the establishment of a medical marijuana dispensary.

DISCUSSION

A medical marijuana dispensary is not a type of use that is specifically defined in the Alameda Municipal Code's (AMC) Development Regulations. Since a medical marijuana dispensary is not specifically defined in the AMC, an interested person could apply to conduct such a use, and claim that it is similar to a pharmacy, medical office, or miscellaneous retail use. Then, that person could seek to operate a medical marijuana dispensary in various zoning districts, as well as near schools or places of religious assembly. Medical marijuana dispensaries have been established in a few locations in California and the Bay Area, including San Francisco and Oakland. As a result of the

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presence of medical marijuana dispensaries, some of these local agencies have reported increases in illegal drug activity, illegal drug sales, robbery of persons leaving dispensaries, loitering around dispensaries, falsely obtained identification cards, and other increases in criminal activity. Medical marijuana dispensaries have led to increased demands for police response, as well as maintenance of public streets and sidewalks. Moreover, dispensaries in various cities have been targeted by Federal Drug Enforcement Administration (DEA) agents. Federal courts continue to hold that the Federal Controlled Substance Act, which prohibits the possession of marijuana for personal use, may be enforced despite California's medical marijuana laws.

In light of these concerns, staff is in the process of determining if operation of these dispensaries can be a safe and allowable use within Alameda. In addition, because of inquiries from interested persons regarding the establishment of medical marijuana dispensaries in Alameda, and the experiences of other local jurisdictions, it is appropriate to adopt a moratorium on medical marijuana dispensaries until the issue is further studied. The scope of the study resulting from the moratorium may include:

- (i) Review processes used by other cities and counties when considering applications from persons seeking to open and operate medical marijuana dispensaries;
- (ii) Determine whether to establish a licensing and criminal background check process for proposed operators and employees of a medical marijuana dispensary;
- (iii) Decide if licensing needs to be regularly renewed;
- (iv) Determine in which zoning districts, if any, medical marijuana dispensaries might be allowed to operate;
- (v) Determine whether medical marijuana dispensaries should be prohibited altogether, conditionally permitted uses, Zoning Administrator permitted uses, or permitted uses;
- (vi) Decide whether to prohibit medical marijuana dispensaries from locating near public or private schools, places of religious assembly, or other sensitive uses;
- (vii) Decide whether medical marijuana dispensaries should be located a minimum distance from other medical marijuana dispensaries;
- (viii) Develop potential regulations regarding the operation, hours, security features, and other conditions for the operation of medical marijuana dispensaries;
- (ix) Decide whether to rely on the State or Alameda County program for issuing eligible patient identification cards and primary caregiver identification cards, or adopt a City of Alameda-specific identification card program; and
- (x) Other related issues.

The adoption of a moratorium will give City staff sufficient time to study this issue, and prevent medical marijuana dispensaries from locating in the city until proper procedures and regulations are established.

State law sets restrictions on the adoption of a moratorium. The moratorium must be approved by a 4/5ths vote of the City Council, and the initial effective period is only 45 days. Due to the complexity of the issues involved, City staff estimates that it will take 12 to 18 months to study issues related to medical marijuana dispensaries; therefore, City staff will return to the City Council on December 2nd with a request for a moratorium extension.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Adopting the Interim Urgency Ordinance will not affect the City's General Fund.

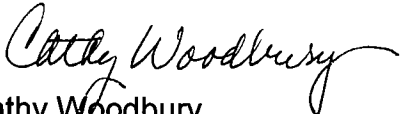
ENVIRONMENTAL REVIEW

The proposed moratorium ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines.

RECOMMENDATION

Adopt the Interim Urgency Ordinance.

Respectfully submitted,



Cathy Woodbury
Planning and Building Director



By: Cynthia Eliason
Supervising Planner

CITY OF ALAMEDA ORDINANCE NO. _____
New Series

AN INTERIM URGENCY ORDINANCE OF THE CITY OF
ALAMEDA, MAKING FINDINGS, AND ESTABLISHING A
FORTY-FIVE DAY MORATORIUM ON THE ESTABLISHMENT
OR EXPANSION OF MEDICAL MARIJUANA DISPENSARIES

WHEREAS, the City of Alameda has received a number of inquiries regarding the establishment of medical marijuana dispensaries within the City of Alameda; and

WHEREAS, such dispensaries have been established in several locations in California, including nearby cities, and as a consequence, some communities have reported increases in illegal drug activity, illegal drug sales, robbery of persons at or leaving dispensaries, loitering around dispensaries, falsely obtaining identification cards to qualify for medical marijuana, and other increases in criminal activities; and

WHEREAS, this potential for increased risk of crime and violence presents a clear and immediate danger to the public health, safety and welfare of the residents and businesses of the City of Alameda; and

WHEREAS, if medical marijuana dispensaries were allowed to be established in the City without appropriate regulations and safeguards, such uses might be in conflict with the requirements of the City's General Plan, zoning regulations, and be inconsistent with surrounding uses, or be detrimental to the public health, safety and welfare; and

WHEREAS, it is necessary for the City of Alameda to study the potential impacts of such facilities on the public health, safety, and welfare and enact appropriate regulations.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Alameda that:

Section 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this Ordinance.

Section 2. The City Council finds that issuing permits, business licenses, or other applicable entitlements providing for the establishment of medical marijuana dispensaries, prior to the completion of the City's study of the potential impact of such facilities, poses a current and immediate threat to


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the public health, safety, and welfare, and that a temporary moratorium on the issuance of such permits, licenses, and entitlements is thus necessary.

Section 3. The City Council finds that this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines.

Section 4. In accordance with California Government Code section 65858, this Ordinance shall take effect immediately, on November 6, 2008, and be in full force for a period of 45 days. This period may be extended by the City Council in accordance with the provisions of section 65858 to provide the City with sufficient time to review the analysis and consider adoption of appropriate regulations.

Section 5. To the extent this Ordinance is inconsistent with any other provisions of the Alameda Municipal Code, this Ordinance governs.

Section 6. The public safety, health, and general welfare will be furthered by this Ordinance.

Section 7. The City, on a case-by-case basis, shall have the authority upon showing of a good cause by an applicant to waive the moratorium imposed by this Ordinance. Good cause shall mean a factual and evidentiary showing by the applicant that the moratorium, if not waived, will deprive the applicant of substantially all reasonable use of his/her property. Such applications for waiver shall be filed with the City's Planning and Building Department with appropriate fees. Said applications shall be reviewed and decided by the Planning and Building Director. The decision of the Planning and Building Director may be appealed to the City Council.

Within 10 calendar days of a decision by the Planning and Building Director, an appeal from said decision may be filed by the applicant, the permit holder, or any other interested party. In the event the last date of appeal falls on a weekend or holiday when City offices are closed, the next date such offices are open for business shall be the last date of appeal. Such appeal shall be made on a form prescribed by the Planning and Building Department and shall be filed with the Planning and Building Department. The appeal shall state specifically wherein it is claimed there was an error or abuse of discretion by the Planning and Building Director or wherein its decision is not supported by the evidence in the record. Upon receipt of the appeal, the Council shall set the date for consideration thereof. The Planning and Building Department shall, not less than ten days prior thereto, give written notice to the applicant, the appellant in those cases where the applicant is not the appellant; adverse party or parties, the attorney, spokesperson, or representative of such party or

parties, other interested groups, and neighborhood associations who have requested notification; and to similar groups and individuals as deemed appropriate, of the date and place of the hearing on the appeal. The City Council shall vote on the appeal within thirty (30) days after its hearing of the appeal. If the Council is unable to decide the appeal at the meeting, it shall appear for a vote on each regular meeting of the Council thereafter until decided.

Section 8. The fee for a waiver of the moratorium imposed by this Ordinance shall be the same as the fee set in the Master Fee Resolution for a Use Permit. The appeal fee shall be the same as the fee set in the Master Fee Resolution for an Appeal to the City Council.

Section 9. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

Presiding Officer of the City Council

Attest:

Lara Weisiger, City Clerk
City of Alameda

I, the undersigned, hereby certify that the foregoing Ordinance was duly and regularly adopted and passed by Council of the City of Alameda in regular meeting assembled on the 6th day of November, 2008, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 7th day of November, 2008.

Lara Weisiger, City Clerk
City of Alameda



CITY OF ALAMEDA • CALIFORNIA

IF YOU WISH TO ADDRESS THE COUNCIL:

1. Please file a speaker's slip with the Deputy City Clerk and upon recognition by the Mayor, approach the podium and state your name; speakers are limited to three (3) minutes per item.
2. Lengthy testimony should be submitted in writing and only a summary of pertinent points presented verbally.
3. Applause and demonstration are prohibited during Council meetings.

AGENDA - - - - - ADJOURNED REGULAR MEETING OF THE CITY COUNCIL
THURSDAY - - - - - NOVEMBER 6, 2008 - - - - 7:30 P.M.

[Note: Regular Council Meeting convenes at 7:30 pm, **City Hall, Council Chambers, corner of Santa Clara Ave and Oak St**]

The Order of Business for City Council Meeting is as follows:

1. Roll Call
2. Agenda Changes
3. Proclamations, Special Orders of the Day and Announcements
4. Consent Calendar
5. City Manager Communications
6. Agenda Items
7. Oral Communications, Non-Agenda (Public Comment)
8. Council Referrals
9. Communications (Communications from Council)
10. Adjournment

Public Participation

Anyone wishing to address the Council on agenda items or business introduced by Councilmembers may speak for a maximum of 3 minutes per agenda item when the subject is before Council. Please file a speaker's slip with the Deputy City Clerk if you wish to address the City Council

PLEDGE OF ALLEGIANCE

1. ROLL CALL - City Council

2. AGENDA CHANGES

3. PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

4. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Council or a member of the public

4-A. Minutes of the Special and Regular City Council Meetings held on October 21, 2008. (City Clerk)

4-B. Bills for ratification. (Finance)

4-C. Recommendation to award Contract in the Amount of \$140,603, including contingencies, to NorCal Pipeline Inspection for Citywide Sewer Mains and Laterals Video Inspection, Phase 2, No. P. W.07-08-19. (Public Works)

4-D. Adoption of Resolution Approving the Final Map and Accepting Associated Dedications and Easements for Tract 7723 (Grand Marina). (Public Works)

4-E. Adoption of Resolution Ordering Vacation of a Portion of an Existing 10' Wide Power Easement, Series No.79-196972, Recorded October 2, 1979, O.R., Alameda County Recorder within Parcel 2 of Parcel Map 2542 Filed Map Book 102, Pages 51 and 52, Recordation of Quitclaim, and Acceptance of Fifteen New Power Easements within Parcel 2 of Parcel Map 2542 (Alameda Towne Centre). (Public Works)

5. CITY MANAGER COMMUNICATIONS (Communications from City Manager)

6. REGULAR AGENDA ITEMS

6-A. Adoption of Resolution Appointing Douglas Biggs as a Member of the Social Services Human Relations Board.

6-B. Recommendation to select an Interim Operator to provide management, operations and maintenance for the Chuck Corica Golf Complex. (Golf)

6-C. Recommendation to receive a Report on proposed PERS Golden Handshake Retirement under California Government Code Section 20903. (Human Resources)

7. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

Any person may address the Council in regard to any matter over which the Council has jurisdiction or of which it may take cognizance, that is not on the agenda

8. COUNCIL REFERRALS

Matters placed on the agenda by a Councilmember may be acted upon or scheduled as a future agenda item

8-A. Discussion of referring the Public Safety Memorandums of Understanding to the Fiscal Sustainability Committee for review and consideration. (Mayor Johnson)

9. COUNCIL COMMUNICATIONS (Communications from Council)

Councilmembers can address any matter, including reporting on any Conferences or meetings attended

9-A. Consideration of Mayor's nomination for appointment to the Historical Advisory Board (Architect Seat).

10. ADJOURNMENT - City Council

- Materials related to an item on the agenda are available for public inspection in the City Clerk's Office, City Hall, Room 380, during normal business hours
- Sign language interpreters will be available on request. Please contact the City Clerk at 747-4800 or TDD number 522-7538 at least 72 hours prior to the Meeting to request an interpreter
- Equipment for the hearing impaired is available for public use. For assistance, please contact the City Clerk at 747-4800 or TDD number 522-7538 either prior to, or at, the Council Meeting
- Accessible seating for persons with disabilities, including those using wheelchairs, is available
- Minutes of the meeting available in enlarged print
- Audio Tapes of the meeting are available upon request
- Please contact the City Clerk at 747-4800 or TDD number 522-7538 at least 48 hours prior to the meeting to request agenda materials in an alternative format, or any other reasonable accommodation that may be necessary to participate in and enjoy the benefits of the meeting

UNAPPROVED
MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY - - - OCTOBER 21, 2008 - - - 6:00 p.m.

Mayor Johnson convened the Special Meeting at 6:05 p.m.

ROLL CALL - Present: Councilmembers deHaan, Gilmore, Matarrese,
Tam, and Mayor Johnson - 5.

Absent: None.

The Special Meeting was adjourned to Closed Session to consider:

(08-) Conference with Labor Negotiators; Agency Negotiators:
Craig Jory and Human Resources Director; Employee Organizations:
All Bargaining Units.

(08-) Conference with Legal Counsel - Anticipated Litigation;
Initiation of litigation pursuant to subdivision (c) of Section
54956.9; Number of cases: One.

Following the Closed Session, the Special Meeting was reconvened
and Mayor Johnson announced that regarding Labor, Council received
a briefing from Labor Negotiators regarding status; no action was
taken; regarding Legal, Legal Counsel briefed Council on potential
litigation; Council provided direction to Legal Counsel.

Adjournment

There being no further business, Mayor Johnson adjourned the
Special Meeting at 7:25 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown
Act.

UNAPPROVED

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY - - - - - OCTOBER 21, 2008 - - - - 7:30 P.M.

Mayor Johnson convened the Regular Meeting at 8:54 p.m.

ROLL CALL - Present: Councilmembers deHaan, Gilmore, Matarrese,
Tam, and Mayor Johnson - 5.

Absent: None.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(08-) Proclamation declaring October 2008 as Breast Cancer Awareness Month.

Mayor Johnson read and presented the proclamation to Susan Bunker.

Ms. Bunker thanked Council for the proclamation.

(08-) Proclamation recognizing the benefits of public power and honoring Alameda Power and Telecom for its contributions to the community.

Mayor Johnson read and presented the proclamation to the Alameda Power and Telecom General Manager.

The Alameda Power and Telecom General Manager thanked Council for the proclamation.

CONSENT CALENDAR

Councilmember deHaan moved approval of the Consent Calendar.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote - 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*08-) Minutes of the Special City Council Meeting held on October 1, 2008; Special City Council Meeting held on October 2, 2008; Special and Regular City Council Meetings held on October 7, 2008. Approved.

(*08-) Ratified bills in the amount of \$2,722,309.26.

(*08-) Recommendation to accept the Annual Report for the Managed Investment Portfolio for Fiscal Year 2007-2008. Accepted.

(*08-) Recommendation to adopt Plans and Specifications and authorize Call for Bids for Signal Coordination on Eighth Street, Otis Drive, and Park Street/San Jose Avenue, No. P.W. 01-08-03. Accepted.

(*08-) Resolution No. 14277, "Authorizing the City Manager to Execute the Grant Contract Between the State of California Department of Boating and Waterways and the Alameda Police Department." Adopted.

(*08-) Resolution No. 14278, "Approving an Agreement with Ameresco Butte County LLC for the Purchase of Power from Landfill Gas Generation for a 20-Year Term." Adopted.

(*08-) Resolution No. 14279, "Recommending Opposition to Proposition 7." Adopted.

CITY MANAGER COMMUNICATIONS

(08-) Discuss the principles and framework for the potential cuts to balance the City's Fiscal Year 2009-10 budget.

The City Manager gave a Power Point presentation.

Mayor Johnson opened the public portion of the meeting.

Tony Santare, Mastick Senior Center Advisory Board (submitted comments); Ewart A. Wetheral, Mastick Senior Center (submitted comments); Barry Christensen, Mastick Senior Center; Jim Thomas, Mastick Senior Center; Virginia Fierro, Mastick Senior Center; Arlene Talbot, Alameda; Patricia Meier, Alameda; Olga Crowe, Alameda; Domenick Weaver, Alameda Firefighters (submitted study); Albert J. Hahane, Residents for Cardinal Point; Ken Gutletsen, Alameda; Robbie Dileo, Alameda Museum; Chuck Millar, Alameda Museum.

There being no further speakers, Mayor Johnson closed the public portion of the meeting.

Councilmember Matarrese stated decisions will not be made on potential cuts tonight; that he would like Council to give direction on policy standards to provide measurement and flattening and restructure the organization, which have been addressed at prior budget hearings; cuts should be made farthest away from the

point of service delivery; the City has a structural problem that needs to be fixed; consolidating departments should be reviewed.

Councilmember deHaan stated more impacts can be anticipated due to the current financial crisis; concurred with Councilmember Matarrese; stated funding was strong from 1995 to 2000; that he would like to compare current staffing with levels ten years ago; he is appalled that Mastick Senior Center closure is being considered as a potential cut.

Councilmember Matarrese stated the City Manager and Department Heads are responsible for determining how to deliver service; that he wants to outline what services need to be protected; public safety staffing needs to be maintained at a level to ensure adequate response time; that he is pleased that the Police Chief is urging Council not to consider a Special Duty Unit reduction which would result in the loss of a parolee, a probationer, sex registrant monitoring, special operations capabilities, and surveillance and investigative functions; the City is kept safe because of parolee surveillance, speed limit enforcement, and property crime investigation; the City has three missions: 1) keeping the City safe; 2) protecting individual citizens; and 3) protecting infrastructure; the City cannot eliminate sidewalk and tree pruning maintenance.

Mayor Johnson stated the Fire and Police Departments' Sustainability Reports should have included economic analysis and been a financial planning tool for the next five or ten years; reports should include the retirement medical cost issue.

Councilmember Gilmore stated follow up should be given to the possibility of contracting out certain Finance Department functions, such as payroll, parking citations, business licenses, etc., as well as combining Risk Management and Human Resources into one administrative department; consolidating Boards and Commissions should be reviewed because City time is used to staff the Boards and Commissions; contracting out engineering services should be reviewed; that she is not sure about contracting out Fire services to the County; that she does not see how public safety services will not be touched given the fact public safety accounts for 66% of the General Fund.

Councilmember Matarrese stated that he would like the City Manager to explore the possibility of contracting in; Alameda Unified School District could contract with the City for field maintenance and payroll services; part-time versus full-time employment should be reviewed for professional services.

Mayor Johnson stated issues should be reviewed with more of an open mind; Council has been clear on minimizing public service cuts as much as possible; many cities utilize retirees to supplement public safety forces; the Fire Dispatch Center was contracted out years ago; the Police Chief provided a brief analysis on the matter, but numbers were not provided.

The City Manager stated that the issue was noted as something to consider in the future because more analysis is needed.

Mayor Johnson stated the issue should be reviewed if there is a possibility to save money and provide the same service; every issue should have an associated dollar amount.

The City Manager stated that staff is working to ensure that costs are identified in future studies; structural changes can be reviewed; the amount needed to balance the [2009-2010] budget is substantial.

Mayor Johnson stated Council needs to know the exact amount of money that would be saved by eliminating positions, including retirement benefit costs.

Vice Mayor Tam stated the City does so much with so little; the City's public utility is doing very well; fifty percent of the Assistant City Manager's time is charged to Alameda Point; Mastick Senior Center is a model for the region; the Police and Fire Departments are incredible; it is important to see whether structural changes would have an impact on the General Fund; that she is not sure whether all Public Works' programs are charged to the General Fund; questioned whether funding is received for tree trimming and sidewalk repair; stated clear assessments need to be made regarding contracting out public safety services to Alameda County; the City is not facing easy choices.

Councilmember Gilmore stated Council is discussing 2009-2010 budget cuts now; economic advisers do not see the financial situation getting better for a few years; she does not want the City to become another Vallejo.

Councilmember Matarrese stated people do not want to put a price tag on public safety services or the Mastick Senior Center, but the services cost money; the City's core missions and need to be reviewed.

Councilmember deHaan stated the City's financial situation developed over several years; corrections need to be made now to avoid further impacts.

Mayor Johnson stated the City cut \$4 million [from the budget] this year; millions of dollars were cut the year before; structural reform is needed.

The City Manager stated expenditures and revenues will continue to be monitored; the community will be impacted.

Mayor Johnson stated Council voted to place Measure P on the ballot to increase revenue; people need to be given a choice between increasing revenue or making cuts; a public safety parcel tax polled very poorly.

Councilmember Matarrese stated some departments may need to be consolidated; the City cannot support the current structure; sharing services with the School District should be reviewed; the City cannot afford not to develop the North of Lincoln Avenue and Alameda Landing projects.

The City Manager stated the Revenue Enhancement Team looked at a variety of revenue raising opportunities; discussions involved using Marina fees to help support public safety services in the area.

Mayor Johnson stated Council needs more information on Marina fees.

Councilmember Gilmore stated tonight's report is very clear and helpful; requested that the report be posted more predominately on the City's website.

Councilmember Matarrese stated an analysis will be needed following the outcome of Measure P; quarterly reports will be provided in November; mid-year reports will be provided in February; the budget will be reviewed in May.

Councilmember deHaan stated most municipalities are going through the same exercise and are making drastic cuts.

Mayor Johnson stated Measure P would lessen cuts, but cuts would still need to be made.

REGULAR AGENDA ITEMS

(08-) Recommendation to receive the Fiscal Sustainability Committee report on Other Post Employment Benefits.

The Interim Finance Director gave a presentation.

Mayor Johnson inquired what happens when a retiree reaches an age to qualify for Medicare, to which the City Manager responded that information will be provided.

Mayor Johnson inquired whether a significant number of increased participants need to be assumed.

The Interim Finance Director responded actuarial assumptions are based on certain revenue and cost growth estimates; stated actuarial assumptions need to be updated every twenty-four months.

Mayor Johnson stated that projecting the number of retirees in the next ten years is important.

The Interim Finance Director stated that employee census growth is addressed [in actuarials].

Mayor Johnson requested clarification on national health care in ten years.

The Interim Finance Director stated Bartel Associates' theory is that national health care costs would be the base line; the amount would be subtracted from the City's liability.

Mayor Johnson stated that she does not agree with said assumption; assumptions need to have a rational basis; reducing the health care rate of inflation to 4.2% is irresponsible.

Councilmember Matarrese stated the assumption should not be made.

The Interim Finance Director continued the presentation.

Kevin Kennedy, Fiscal Sustainability Chair and City Treasurer, gave a brief presentation.

(08-428) Vice Mayor Tam moved approval of continuing the meeting past midnight.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote - 5.

Vice Mayor Tam stated that the \$6 million cash payment assumes a 4.5% and 7.75% fixed rate of return.

Mr. Kennedy stated the higher rate of return is being used; the money set aside to deal with the liability can be invested like a pension fund investment; the City's General Fund can only have

highly rated securities with very limited maturity; the Public Employee Retirement System (PERS) has a program that cities can use to set up irrevocable trusts to fund OPEB benefits.

Vice Mayor Tam inquired whether the City would need to contribute more if the return is not 7.75%.

Mr. Kennedy responded figures should not deviate very much unless staff levels significantly change or there is an unusual employee turnover.

Mayor Johnson inquired what is the Fiscal Sustainability Committee's recommendation, to which Mr. Kennedy responded a straight thirty-year amortized schedule.

Councilmember Matarrese inquired whether outstanding loans from Alameda Power and Telecom (AP&T) and Alameda Reuse and Redevelopment Authority (ARRA) are returning approximately 6% interest each.

The Development Services Manager responded ARRA is paying interest only to the General Fund; stated the principle would not retire; AP&T is not paying anything on its obligation.

Councilmember Matarrese inquired whether lease revenues are pumped into the General Fund as an interest only payment.

The Development Services Manager responded a payment of \$130,000 is made, which is 6% in interest.

Councilmember Matarrese stated the interest comes from lease payments; lease revenue is to go into infrastructure and maintenance at the former Base, but is going into the General Fund.

Mayor Johnson stated Council needs to decide whether revenue should come to the General Fund or go into crumbling infrastructure that the City does not own.

Vice Mayor Tam inquired whether redevelopment funds would be protected from State raiding if revenues were put into the General Fund.

The Development Services Director responded lease revenue funding does not have anything to do with tax increment received from the State; stated the law states that a city's General Fund can make the payment; ARRA is scheduled to make principle payments this fiscal year.

Councilmember Matarrese stated the question is whether principle payments should be made; decisions need to be made on the best place for cash flow.

Mr. Kenney stated the City is trying to work another \$2.5 million into a budget that is already strained to ensure that obligations are met; the City may get to a point where the retiree budget will engulf the entire budget for current services.

Mayor Johnson questioned how the City will provide needed levels of public safety when payments are required for retiree health benefits.

Mr. Kennedy stated that a lot of cities are looking at the issue; the current economy is exposing a lot of weaknesses that were hidden by a strong economy.

Vice Mayor Tam inquired whether the Committee's recommendation is Alternative B, which requires raising an additional \$2.3 million on top of \$1.2 million; stated Alternative B would increase the shortfall of approximately \$4 million next year to \$6.3 million; questioned whether the Committee is suggesting that the City not tap into the fund balance for said amount.

Mr. Kenney responded in the affirmative; stated the General Fund balance could be spent down to zero if significant changes are not made to free up revenue going forward; stated the City has a \$75 million liability; staff presented a variety of payment options; there is a lot to be said for pre-funding as much as possible.

Mayor Johnson inquired how many retirees are assumed on Attachment B and what are the premiums.

Mr. Kennedy responded the current population was considered and assumptions were made regarding turnover and change in demographics.

Councilmember Matarrese stated no one is supporting the pay-as-you-go approach; the question is how much the City will pay over and beyond the annual premium; the money needs to be squeezed out of an already tight budget; that he appreciates the work of the Fiscal Sustainability Committee; he prefers a fixed figure even if adjustment would be needed; the obligation is real and contracted; that he likes the idea of taking the from an ARRA loan to help fund the obligation.

Mayor Johnson concurred with Councilmember Matarrese; stated a fixed number has to be set; funding was not provided for the 1079

and 1082 Plans; Council is dealing with the consequences.

Mayor Johnson opened the public portion of the hearing.

Michael D'Orazi, IAFF 689, stated the Police and Fire Associations did not get off to a good start when the City was approached for transferring the 1082 Plan to PERS; the ball was set in motion through a meeting with Former Mayor Chuck Corica; actuarial assumptions were obtained from PERS which showed that the City would save 13% on employer costs for pensions and there would be \$3 million left over after the conclusion of transfer of funds; public retiree healthcare benefit discussions were limited because everyone felt that life expectancy for public safety employees was shorter; discussions continued for adding spouses to the benefit; the 13% could have been used to help pre-fund pension costs; pre-funding is an important option to consider; urged Council to be cautious; stated only two people are left in the 1082 Plan; the 1079 Plan unfunded liability will decrease substantially over the next few years.

There being no further speakers, Mayor Johnson closed the public portion of the hearing.

The Interim Finance Director noted that the City would have more than an additional \$700,000 shortfall if repayment of the ARRA obligation was included in the current budget and 2009-2010 budget.

Councilmember Gilmore thanked the Interim Finance Director and Fiscal Sustainability Committee for the report; stated that she knew there was an OPEB liability, but she did not know what target the City needed to shoot for to start paying for the obligation.

Mr. Kennedy stated that the Fiscal Sustainability Committee would not provide a final report in January.

Councilmember Matarrese thanked the Fiscal Sustainability Committee for input and the Interim Finance Director for a clear presentation; stated that no one anticipated the rise in healthcare costs; the 1079 and 1082 Plans are in sunset and provide an opportunity for some ramping up; that he would like staff to come back with a hybrid approach which would include pre-funding ramp up and Alternative E.

In response to Mayor Johnson's comments regarding mandatory payment, Mr. Kennedy stated one way to make payment mandatory could be pre-funding with a bond; if a \$50 million pension bond were issued, a 5% interest rate would equal \$2.5 million in interest payments; earning 6%-8% would result in additional revenue; the

interest payment would be non-negotiable.

Councilmember deHaan stated that Peralta Community College District had an approximate 2% delta between what was borrowed on a bond and what was earned.

Mayor Johnson stated that a number needs to be set and consequences need to be known; requiring non-discretionary payments could be established through an ordinance or could be part of the Charter.

Mr. Kenney stated that he would have an issue with issuing a bond on the entire obligation; a number of cities have partially pre-funded the obligation.

The Interim Finance Director stated pension obligation bonds are taxable; borrowing \$75.4 million of taxable municipal debt at today's rate would result in a \$3.2 million payment; the bond would be a serial bond and would never stop.

Mr. Kenney stated bond counsel could provide more information on the matter.

The Interim Finance Director stated that paying the \$75.4 million over thirty years would result in paying three times the amount; a bond would be good for pre-funding the obligation and controlling the difference of the delta every year.

Mr. Kenney stated the pay-as-you-go approach is irresponsible; commended Council for facing the issue; stated more information is needed on how a pension bond would work.

Mayor Johnson stated information is needed on paying the obligation over thirty years, the 1079 and 1082 Plans, and using [1079 and 1082 Plan] decreases to pay for the current [OPEB] plan.

Councilmember Matarrese stated consensus is: not to select the pay-as-you-go approach; to shoot for the \$4.4 million; to review the pension bond alternative; and to see how \$2.8 million from the 1079 and 1082 Plans figure into payment; further stated a resolution or ordinance could be considered as a vehicle for locking in the payment commitment.

Councilmember Gilmore stated that she wants information on General Fund repercussions.

Vice Mayor Tam requested clarification on the \$3 million that was to go into the OPEB [when the 1079 and 1082 Plans ended] and where the 13% savings went that the City incurred as a result of the

conversion from the 1079 and 1082 Plans; stated that she wants to avoid repeating past mistakes.

Mayor Johnson stated actuarial numbers need to be reviewed in order to ensure that payments are adequate.

Councilmember Matarrese stated dramatically increased healthcare costs and participant fluctuation need to be considered.

Councilmember deHaan stated today has to be the worst of all times to pay but might be the best in terms of securing a bond.

Mr. Kennedy stated markets have been frozen; IBM borrowed money at 250 basis points over Treasury, which is ridiculous.

The Interim Finance Director stated that the last quarter statistics indicated that the Municipal Bond market was 25% less than demand; timing is the issue; updated actuarial assumptions are needed; real numbers are needed.

Councilmember Matarrese stated accurate information is needed, but he does not want the matter pushed aside.

(08-) Report on the impact of the Chuck Corica Golf Complex Fee Increases.

The Interim Golf Manager gave a brief presentation.

Councilmember deHaan stated rounds have increased, but cart rentals have decreased.

The Interim Golf Manager stated golfers are making careful spending decisions.

Mayor Johnson stated one month's data is not enough to track impacts.

Jim Strehlow, Alameda, stated fewer people will play golf because of the current economic conditions; Council should not rely on short-term impacts.

Jane Sullwold, Alameda Golf Commission, stated September 2008 only had four weekends and did not include Labor Day weekend, which was included in September 2007 statistics; revenue increased by approximately \$24,000; the first month was a very positive experience under the new rate structure; the Interim Finance Director has been extremely helpful in providing information to the Golf Commission.

In response to Councilmember deHaan's inquiry regarding figures, Ms. Sullwold stated the Par 3 Course continues to increase in play and decrease in revenue.

Mayor Johnson inquired whether increased rates would decrease play.

Ms. Sullwold responded higher rates decreased play in the past; stated the Par 3 Course is price sensitive.

(08-) Recommendation to authorize the City Manager to negotiate a Master Siting Agreement with AT&T to upgrade their distribution system in order to provide Lightspeed Services in Alameda and to execute all necessary documents to implement the project.

The Public Works Coordinator gave a brief presentation.

Mayor Johnson inquired whether every site would require a permit.

The Public Works Coordinator responded in the affirmative; stated notification would be provided to property owners within 300 feet of a site.

Mayor Johnson inquired whether Council has the ability to say no to the Agreement.

The Public Works Coordinator responded in the negative; stated the City would have the right to control the way equipment would be installed within the public right-of-way.

Mayor Johnson inquired whether the franchising roll has been taken over by the State, to which the Public Works Coordinator responded in the affirmative.

Councilmember Matarrese stated the staff report indicates that the City would receive a 5% franchise fee; inquired how much the 5% is in dollars.

The Public Works Coordinator responded 5% of gross revenue for video services; stated the actual dollar amount would depend on sales.

Councilmember Matarrese inquired whether the 5% [franchise fee] is in the budget.

The Public Works Coordinator responded in the negative; stated constructing the system would take approximately eighteen months.

Mayor Johnson inquired why the City cannot charge franchise fees on satellite dishes.

The Public Works Coordinator stated franchise fees are for occupation of right-of-ways.

Councilmember deHaan inquired whether all cabinets would be on public property, to which the Public Works Coordinator responded all cabinets would be within the public right-of-way.

Councilmember deHaan inquired whether any cabinets would be placed on private property at any point.

The Public Works Coordinator responded there are no plans to place the cabinets on private property.

Councilmember deHaan inquired whether locations would be new.

The Public Works Coordinator responded in the affirmative; stated AT&T estimates that seventy-seven boxes will be installed; the quantity depends on cable length; the new cabinets would be within 150 feet of the existing Serving Area Interface (SAI) cabinets.

Councilmember deHaan inquired whether electrical underground boxes were placed on public or private right-of-ways, to which the Public Works Coordinator responded public right-of-way.

Mayor Johnson stated placing some of the cabinets on private property would be beneficial; placing cabinets in landscape areas would be better.

Councilmember deHaan inquired whether AT&T would be willing to subsidize staff's efforts.

The Public Works Coordinator responded AT&T would be pay for permits.

Councilmember deHaan inquired whether permit fees would be adequate, to which the Public Works Coordinator responded in the affirmative.

Vice Mayor Tam stated the Agreement has a lot of protections for the City.

Councilmember Gilmore moved approval of the staff recommendation.

Vice Mayor Tam seconded the motion, which carried by unanimous

voice vote - 5.

(08-) Resolution No. 14280, "Approving the Amended and Restated Northern California Power Agency Power Pooling Agreement." Adopted.

The Utility Planning Supervisor provided a brief presentation.

The City Manager stated that the Agreement was unanimously approved at the Public Utilities Board meeting last night.

Mayor Johnson inquired whether all Northern California Power Agency members are changing the Agreement, to which the Utility Planning Supervisor responded in the affirmative.

Councilmember Matarrese inquired whether the Agreement would have any affect on the source of power generated.

The Utility Planning Supervisor responded there should be no impact; stated the City has been operating under revised procedures for a number of years.

Vice Mayor Tam moved adoption of the resolution.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote - 5.

ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

(08-) Griff Neal, Alameda, submitted handout; stated undergrounding costs were estimated to cost homeowners between \$1,500 and \$2,000; that his estimate is \$10,000; electric services can be reimbursed but cable and phone service costs are divided by the number of services; hook up costs are not reimbursed if a house requires a non-standard service hook up.

Mayor Johnson requested that information be provided to Council on how charges work and the reimbursement process.

Councilmember Matarrese requested that the matter be agendized so that Council can take action.

Mr. Neal suggested selling AP&T to balance the budget.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

(08-) Consideration of Mayor's nomination for appointment to the Social Services Human Relations Board. [110-20]

Mayor Johnson nominated Douglas Biggs.

(08-) Councilmember deHaan stated that gas prices are down; ferry fees were raised; inquired whether the increase should be revisited.

The City Manager responded that she would check with the Public Works Department.

Mayor Johnson stated that fees could possibly be reduced.

(08-) Councilmember Matarrese stated that he attended the AC Transit Interagency Liaison Committee Meeting; he requested that Council receive a report on the meeting because discussions included casual carpooling and line 63; the line 63 route changes only saved two minutes.

Mayor Johnson inquired what were the thoughts on casual carpooling.

Councilmember Matarrese responded points of discussion included: 1) casual carpooling is bad for the bus system; 2) the City should place a sign for a designated casual carpooling zone; and 3) casual carpooling should be moved to a ride share location; stated the matter is a question of policy.

Councilmember deHaan stated concerns involved sheriff's issuing tickets.

Councilmember Matarrese stated tickets are issued if someone pulls up to a red zone that is a bus stop.

(08-) Vice Mayor Tam stated that she attended the League of California Cities East Bay Division meeting last Thursday; PG&E made a presentation; PG&E is trying to reduce its carbon footprint; Berkeley, Albany, and Emeryville are trying to create a municipal public power entity; studies show that rates would be 10% higher because of PG&E's broad base; that she has been elected to the Executive Board which requires reviewing legislation on local control for the Light Brown Apple Moth issue.

Mayor Johnson inquired what is PG&E's renewable portion of their portfolio.

The AP&T General Manager responded 11%; stated AP&T is number one

in the State.

ADJOURNMENT

(08-) Mayor Johnson announced that the November 4, 2008 Regular City Council Meeting will be adjourned to November 6, 2008 due to the November 4, 2008 General Municipal Election.

There being no further business, Mayor Johnson adjourned the Regular Meeting at 1:45 a.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Ann Marie Gallant
Interim Chief Financial Officer

Date: October 30, 2008

Re: List of Warrants for Ratification

This is to certify that the claims listed on the attached check register and shown below have been approved by the proper officials and, in my opinion, represent fair and just charges against the City in accordance with their respective amounts as indicated thereon.

<u>Check Numbers</u>	<u>Amount</u>
214482 - 214882	\$5,209,677.68
EFT 605	\$40,057.32
EFT 606	\$736,658.00
EFT 607	\$58,597.26
EFT 608	\$184,185.54
EFT 609	\$52,643.57

Void Checks:

214560	(\$2,637.80)
214304	(\$10.00)

GRAND TOTAL

\$6,279,171.57

Respectfully submitted,


Chief Financial Officer

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Debra Kurita
City Manager

Date: November 6, 2008

Re: Award a Contract in the Amount of \$140,603, Including Contingencies, to
NorCal Pipeline Inspection, for Citywide Sewer Mains and Laterals Video
Inspection, Phase 2, No. P. W.07-08-19

BACKGROUND

On August 19, 2008, the City Council adopted plans and specifications, and authorized a call for bids for citywide sewer mains and laterals video inspection, phase 2, No. P.W. 07-08-19. The project will video inspect and clean approximately 40,000 linear feet of sewer mains and laterals. An add alternate option is included for the disposal of contaminated material, if necessary.

The City of Alameda, as a Sanitary Sewer Collection System Agency, is required to prepare and update a Sewer Collection System Management Plan (SSMP) pursuant to Section 13267 of the California Water Code. The information obtained from the video inspection is essential to the preparation of the City's SSMP.

DISCUSSION

To solicit the maximum number of bids and most competitive price, specifications were provided to 17 separate building exchanges throughout the Bay Area. A notice of bid was also published in the *Alameda Journal*. Three contractors submitted bids, and the bids were opened on September 16, 2008. The list of qualified bidders, from lowest to highest total project costs, is:

Bidder	Location	Bid Amount
NorCal Pipelines Inspection	Yuba City, CA	\$117,169
JF Pacific Liners, Inc.	Vacaville, CA	\$193,450
D'Arcy & Harty	San Francisco, CA	\$221,790

Staff contacted several references provided by the low bidder and received positive feedback about the quality and timeliness of their work. Staff proposes to award a contract to NorCal Pipeline Inspection, for a total amount of \$140,603, including a 20% contingency. A copy of the contract is on file in the City Clerk's office.

City Council
Agenda Item #4-C
11-06-08

BUDGET CONSIDERATION/FINANCIAL IMPACT

The project is budgeted in the Capital Improvement Program (Project No. 90-61), with monies allocated from the Sewer Enterprise Funds.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This action does not affect the Alameda Municipal Code.

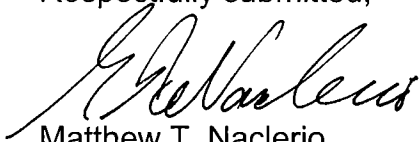
ENVIRONMENTAL REVIEW

In accordance with the California Environmental Act (CEQA), this project is Categorically Exempt under CEQA Guidelines Section 15306, Information Collection.

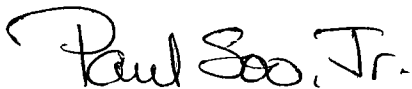
RECOMMENDATION

Award a contract in the amount of \$140,603, including contingencies, to NorCal Pipeline Inspection, for citywide sewer mains and laterals video inspection, phase 2, No. P. W. 07-08-19.

Respectfully submitted,



Matthew T. Naclerio
Public Works Director



By: Paul Soo, Jr. *by ps*
Junior Engineer

MTN:PSJ:gc

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Debra Kurita
City Manager

Date: November 6, 2008

Re: Adopt a Resolution Approving the Final Map and Accepting Associated
Dedications and Easements for Tract 7723 (Grand Marina)

BACKGROUND

On January 16, 2007, the City Council adopted Resolution No. 14063 approving Tentative Map 7723, which created 40 residential parcels known as Grand Marina. The property is located at the northwest corner of Grand Street and Fortmann Way.

DISCUSSION

The Final Map has been reviewed and determined to be technically correct and in substantial conformance with the City's approved Tentative Map and Conditions of Approval. The tract will consist of 40 detached residential units, ten of which will be affordable housing. The tract also includes two private mini-parks.

The Final Map includes easements for emergency vehicle access, public utilities, private access, private storm drains and sanitary sewers, and surface drainage runoff. All infrastructure within the development, including streets, alleys, sanitary sewer, storm drains, and landscaping will be maintained by the property owners. In addition, an operation and maintenance agreement for the storm drainage improvements will be required prior to the issuance of a Certificate of Occupancy. A financial security guaranteeing the construction of the public improvements, and the associated labor and materials, has been established. The Final Map is on file in the City Clerk's Office.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Approval of the Final Map and resolution does not affect the General Fund.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This project is consistent with the Municipal Code.

City Council
Report Re:
Agenda Item #4-D
11-06-08

Honorable Mayor and
Members of the City Council

November 6, 2008
Page 2 of 2

ENVIRONMENTAL REVIEW

The approval of the Final Map is ministerial and thus in accordance with the California Environmental Quality Act (CEQA), this project is Categorically Exempt under CEQA Guidelines.

RECOMMENDATION

Adopt a resolution approving the Final Map and accepting associated dedications and easements for Tract 7728 (Grand Marina).

Respectfully submitted,



Matthew T. Naclerio
Public Works Director



By: Robert Claire *by gc*
Associate Civil Engineer

MTN:RC:gc

Approved as to Form


City Attorney

CITY OF ALAMEDA RESOLUTION NO. _____

APPROVING THE FINAL MAP AND ACCEPTING
ASSOCIATED DEDICATIONS AND EASEMENTS FOR
TRACT 7723 (GRAND MARINA)

WHEREAS, on October 23 2006, by Resolution No. PB-06-44 the Planning Board of the City of Alameda ("City") approved the Development Plan and Design Review for the Grand Marina Village (PD05-2005/DR05-0126); and

WHEREAS, on October 23 2006, by Resolution No. PB-06-43, the Planning Board of the City recommended approval of Tentative Map Tract 7723; and

WHEREAS, pursuant to Resolution No. 14063, the City Council approved Tentative Map Tract 7723 for forty residential lots on January 16, 2007; and

WHEREAS, Final Map 7723 is ministerial and is thus exempt under the California Environmental Quality Act (CEQA); and

WHEREAS, said Final Map delineates thereon for dedication to the public easements for utilities, streets and emergency vehicle access; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alameda that the Final Map of Tract 7723 be, and hereby is, approved.

BE IT FURTHER RESOLVED that said easements offered for dedication to the public have been accepted on behalf of the public for use in conformity with the terms of the offers of dedication.

BE IT FURTHER RESOLVED that the agreement for construction and completion of the public improvements in said tract pursuant to the Agreement and all its terms and conditions be, and hereby are, approved and the City Manager and the City Clerk are authorized and directed to execute and attest to, respectively, said Agreement on behalf of the City of Alameda; and

BE IT FURTHER RESOLVED that the Security guaranteeing full and faithful performance of said public improvements, labor, and materials are hereby approved as sufficient in amount.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the 6th day of November, 2008, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSECTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 7th day of November, 2008.

Lara Weisiger, City Clerk
City of Alameda

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Debra Kurita
City Manager

Date: November 6, 2008

Re: Adopt a Resolution Ordering Vacation of a Portion of an Existing 10' Wide Power Easement, Series No.79-196972, Recorded October 2, 1979, O.R., Alameda County Recorder Within Parcel 2 of Parcel Map 2542 filed Map Book 102, Pages 51 and 52, Recordation of Quitclaim, and Acceptance of Fifteen New Power Easements Within Parcel 2 of Parcel Map 2542 (Alameda Towne Centre)

BACKGROUND

On October 2, 1979, a ten-foot power easement for electrical distribution lines was granted to the City of Alameda by Harsch Investment Realty, LLC (Harsch). Recent tenant and parking improvements have been constructed in Alameda Towne Centre, resulting in the removal of existing and the installation of new Alameda Power & Telecom (AP&T) electrical distribution lines. Harsch has provided fifteen new easements, designated as Parcel 1 through 15, as requested by AP&T for the newly constructed distribution lines. Since the existing easements apply to electrical distribution lines that have been removed, Harsch requests the abandonment of a portion of the existing easement.

DISCUSSION

BRIO Engineering of San Jose prepared the easement plats and descriptions for Harsch. AP&T and Public Works staff reviewed and approved the proposed easement modifications. All AP&T distribution lines within the proposed easements have been installed. The electrical distribution lines within the easements to be abandoned were removed during construction of the improvements. A legal description and plat of the subject easements are on file in the City Clerk's office.

BUDGET CONSIDERATION/FINANCIAL IMPACT

There is no financial impact to the City as a result of vacating the subject easement or accepting the new easements. All costs associated with the installation of the AP&T distribution lines were paid by the developer.

City Council
Report Re:
Agenda Item #4-E
11-06-08

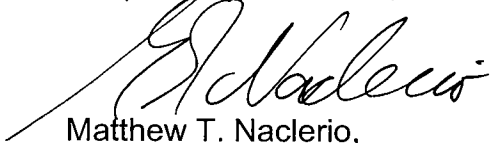
MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This action does not affect the Alameda Municipal Code.

RECOMMENDATION

Adopt a resolution ordering vacation of a portion of an existing 10' wide power easement, Series No.79-196972, recorded October 2, 1979, O.R., Alameda County Recorder within parcel 2 of Parcel Map 2542 filed Map Book 102, Pages 51 and 52, recordation of quitclaim, and acceptance of fifteen new power easements within parcel 2 of Parcel Map 2542 (Alameda Towne Centre).

Respectfully submitted,



Matthew T. Naclerio,
Public Works Director



By: Ed Sommerauer ^{by gc}
Associate Civil Engineer

MTN:ES:gc

CITY OF ALAMEDA RESOLUTION NO. _____

ORDERING VACATION OF A PORTION OF AN EXISTING 10' WIDE POWER EASEMENT, SERIES NO. 79-196972, RECORDED OCTOBER 2, 1979, O.R., ALAMEDA COUNTY RECORDER WITHIN PARCEL 2 OF PARCEL MAP 2542 FILED MAP BOOK 102, PAGES 51 AND 52; RECORDATION OF QUITCLAIM, AND ACCEPTANCE OF FIFTEEN NEW POWER EASEMENTS WITHIN PARCEL 2 OF PARCEL MAP 2542 (TOWNE CENTRE)

Approved as to Form


City Attorney

WHEREAS, on October 2, 1979, a 10' Power Easement, described as Parcel B of that certain Grant of Easement made to the City of Alameda and was filed in the Office of the County of Alameda Recorder as Instrument No. 79-196972; and

WHEREAS, a portion of the existing Power Easement is no longer necessary for electrical distribution infrastructure and can be vacated.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alameda that a portion of a power easement for electrical distribution lines be vacated pursuant to the provisions of Division 9, Part 3, Chapter 4, Article 8333 (c) of the Streets and Highways Code. Legal descriptions and plats of the subject easement vacation is on file in the City Clerk's office.

BE IT FURTHER RESOLVED that the City Clerk shall cause certified copies of this resolution, attested under seal, to be recorded in the County Recorder's Office and from and after the date of this resolution is recorded, said portion of said easement as recorded on September 17, 1979, no longer shall constitute an easement.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the 6th day of November, 2008, by the following vote to wit:

AYES:

NOES:

ABSENT:


ABSENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 7th day of November, 2008.

Lara Weisiger, City Clerk
City of Alameda

CITY OF ALAMEDA RESOLUTION NO. _____

APPOINTING DOUGLAS BIGGS AS A MEMBER OF THE
SOCIAL SERVICE HUMAN RELATIONS BOARD

Approved as to Form

City Attorney

BE IT RESOLVED by the Council of the City of Alameda that pursuant to the provisions of Article X of the Charter of the City of Alameda, and upon nomination by the Mayor, DOUGLAS BIGGS is hereby appointed to the office of member of the Social Service Human Relations Board of the City of Alameda for the term commencing November 6, 2008, and expiring on June 30, 2012, and to serve until his successor is appointed and qualified.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in adjourned regular meeting assembled on the 6th day of November, 2008, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 7th day of November, 2008.

Lara Weisiger, City Clerk
City of Alameda

Resolution #6-A
11-06-08

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Debra Kurita
City Manager

Date: November 6, 2008

Re: Select an Interim Operator to Provide Management, Operations, and
Maintenance for the Chuck Corica Golf Complex.

BACKGROUND

In early 2007, the City retained the services of the National Golf Foundation (NGF) in order to conduct a comprehensive operational review of the Chuck Corica Golf Complex. The purpose of the review was to ensure the protection, preservation, and enhancement of this important community asset as an economically viable municipal operation. The operational review was presented in January 2008, and the City Council adopted motions to:

1. Allocate funding to complete a master planning process for the facility with assistance of NGF.
2. Direct staff to work with NGF to investigate the cost-savings and revenue enhancing options recommended by the Golf Commission.
3. Request that staff explore options for identifying cost savings for FY 2007-08.
4. Direct staff to work with NGF to develop a Request for Proposal (RFP) to explore all options for future operation of the Golf Complex.

During its meeting on July 1, 2008, the City Council approved the issuance of an RFP seeking an interim operator for the facility. The interim operator would assume responsibility for management, operations, and maintenance of the facility for approximately one year, during which time other longer-term sustainable operational options would be explored. A contract for management and operations of the Golf Complex would result in the elimination of 16 full-time maintenance positions within the Alameda City Employee Association (ACEA) bargaining unit, five administrative and managerial positions within the Management and Confidential Employee Association (MCEA) bargaining unit, and a number of unrepresented part-time positions.

City Council
Agenda Item #6-B
11-06-08

DISCUSSION

RFP for Operation of Chuck Corica Golf Complex

In mid-July, an RFP was prepared and distributed to approximately 65 firms that specialize in providing golf management services; seven of those firms responded to the RFP. The Assistant City Manager, Interim Finance Director, Recreation and Park Director, and two members of the Golf Commission evaluated and ranked the proposals, reaching consensus on the four firms to advance to the next phase of the selection process: Bellows Golf Management, Empire Golf, Kemper Sports, and Mike Robason Golf.

On September 11, 2008, a selection panel comprised of the Deputy City Manager and representatives from the cities of San Leandro and Walnut Creek interviewed the four firms. The representative from San Leandro was a key participant when that city converted to private management a few years ago, and the representative from Walnut Creek is currently going through a similar process.

The interview process consisted of a presentation by each candidate detailing their proposal, followed by a set of standardized questions from the panel. The firms were then assigned a score and ranked based upon their responses. The panel focused on the following areas to produce their final rankings:

- Experience and past performance of the firm in completing projects of a similar type and scope.
- Knowledge of principles and concepts required to provide services requested in the proposal.
- Ability to provide services in a timely manner.
- Ability to provide quality services in a cost effective, customer service-oriented manner.
- Overall quality of presentation and responses to questions.

The order in which the firms were ranked, along with the anticipated savings and management fees for each firm, are detailed below.

<u>Company</u>	<u>Cost Savings</u>	<u>Management Fee</u>	<u>Net savings</u>
1. Kemper Sports	\$678,000	\$120,000	\$558,000
2. Bellows Golf	\$583,928	\$ 96,000	\$487,928
3. Empire Golf	\$763,868	\$141,500	\$622,378
4. Mike Robason Golf	\$997,963	\$ 0 (included in base bid)	\$997,963

Kemper Sports was the top selection by a substantial margin (nine points) based on their extensive experience in providing municipal golf management services. Kemper began providing these services in 1981 and has agreements with 26 municipal agencies

across the country. They have recently been involved in converting courses from municipal to private operation in St. Louis, New Orleans, and Cincinnati. In addition, Kemper currently manages ten facilities in California, including three in the Bay Area.

The panel agreed that none of the three other companies could provide the resources that Kemper Sports could because of its size as a national company and its experience in the local market. In addition, Kemper has a regional manager in Walnut Creek who would supervise the general manager and coordinate all corporate resources and support for the Golf Complex, including operations, marketing, budgets, accounting, human resources, and maintenance. Kemper Sports could also provide the Golf Complex with additional savings because of its national buying power. The other three companies that the panel considered are smaller, and two of them are located outside the Bay Area, one in Arizona and one in the Sacramento region.

ACEA Proposal for “Hybrid” Management Contract

Subsequent to the City Council direction to prepare an RFP for the operations of the Golf Complex, staff met with representatives of both MCEA and ACEA to discuss the impacts of the potential City Council action on the Golf Complex employees. In response to this consultation, ACEA proposed that the City consider a hybrid structure whereby the City would immediately contract for the management of the Golf Complex with a private contractor, but would retain the ultimate responsibility for the operations and maintenance of the facility. Should the City Council accept the ACEA proposal, an amendment to the current Memorandum of Understanding (MOU) between the City and the bargaining unit would be required. The language of the MOU amendment would need to be negotiated and subsequently approved by the ACEA membership as well as the City Council. The general parameters of the ACEA proposal, which is attached, are:

1. The maintenance staff, who are ACEA members, would be retained and continue to be paid by the City pursuant to the existing MOU.
2. The maintenance staff would be subject to the direction and control of the private operator, subject to the due process requirements set forth in the MOU between the City and ACEA.
3. The private contractor would be permitted to fill vacancies in the maintenance staff with non-ACEA members, and ACEA members would work cooperatively with non-ACEA members.
4. ACEA would work with the private operator to effectuate efficiencies in operations, which might include flexible scheduling, hours of work, and seasonal “rainy day” lay-offs.
5. The City would offer “Golden Handshake” retirement incentives to members of the Golf Complex and Park and Recreation maintenance employment classifications. If one or more employees in Golf Maintenance accept the Golden Handshake, then non-ACEA members could replace the retired employee(s). The City could also transfer an employee in Golf Maintenance into any vacant Parks Maintenance position to create a vacancy in the Golf Maintenance staff.

The proposal by ACEA acknowledges that the “hybrid” management structure is a temporary one and depends on the Golf Complex reserve fund remaining solvent. The City and ACEA would meet and confer to negotiate the cessation of the arrangement if and when that becomes appropriate based on the Golf Complex reserve fund level.

ACEA has indicated that they believe it would be appropriate to establish a separate employment classification for Golf Maintenance Worker distinct from that of Parks Maintenance Worker. As a result, ACEA has petitioned the Civil Service Board for a finding that the classifications are in fact separate and distinct. That decision by the Civil Service Board is expected in mid-November. Although staff recommended that the MOU amendment settle the issue, ACEA prefers to have the matter resolved by the Civil Service Board and has not included it in their offer to amend their MOU.

Staff contacted all four of the finalist bidders to discuss whether the ACEA proposal would be acceptable to them and to determine how that might affect the economics of the proposals. Three of the four finalists, Kemper Sports, Bellows Golf, and Mike Robason Golf, responded that the “hybrid” management approach was acceptable and submitted supplements to their proposals to clarify their financial terms. Empire Golf did not respond.

Kemper Sports clarified that a contract for all services except full-time maintenance staff would cost \$761,578. The City’s current estimate of the cost of these services under the self-operation scenario is \$793,944, so the Kemper proposal would save the Golf Complex \$32,416. Mike Robason Golf indicated that the hybrid scenario would cost \$602,360, for a savings of \$191,584 over the self-operations scenario. Bellows Golf responded that it would charge \$9,000 per month for a one-year contract for management services only. This would result in a \$108,000 increase in costs over the self-operation scenario. However, if the maintenance costs were eliminated from their original proposal, Bellows Golf indicated that the savings from a self-operation scenario would be approximately \$78,000. In addition, Bellows Golf submitted an unsolicited proposal for a one-year concession agreement that would be similar to a lease. This alternative proposal is not consistent with City Council’s prior direction to obtain proposals only for interim operations and not for any risk transfer arrangement.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2008-09 adopted budget for the Chuck Corica Golf Complex projects operating revenues of \$4,382,779, and operating expenses of \$5,024,585. Of this total expenditure, \$2.2 million is budgeted for staff costs, and the balance for materials, supplies, contract services, and interfund transfers. Estimated expenditures will exceed revenues by approximately \$700,000. This projected shortfall will occur despite the implementation of a number of cost reduction strategies, including the elimination of the Golf Services Manager position and the continued vacancy of the General Manager

position. Revenue projections have also been reduced as a result of the continued downtrend in the golf market and the soft local economy.

The budgeted revenue and expenditure projections reflect staff's best possible estimates. A number of factors could influence the final results, including increased competition from neighboring courses, the continued decline in the number of rounds, and the condition of the national, state, and local economies.

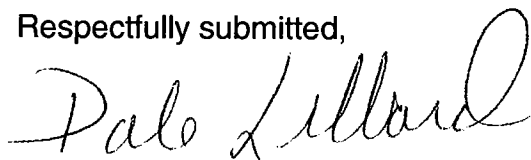
All of the proposals received indicated that the Golf Complex would recognize significant savings, ranging from \$487,928 to \$997,963, by contracting out the maintenance and operations of the facility. These cost savings can then be applied to reduce the estimated budget shortfall of \$700,000 in the current fiscal year.

Depending on the company selected, the ACEA proposal would result in savings ranging from \$32,416 to \$191,584, assuming that no Golf Maintenance Workers were to leave during the term of the contract. Under all of the RFP responses, savings would increase as existing Golf Maintenance Workers left City service and were replaced by an employee of the private contractor.

RECOMMENDATION

Select an Interim Operator to provide management, operations, and maintenance of the Chuck Corica Golf Complex and authorize the City Manager to enter into an agreement with Kemper Sports.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Dale Lillard".

Dale Lillard, Director
Alameda Recreation, Parks & Golf Operations

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Debra Kurita
City Manager

Date: November 6, 2008

Re: Receive a Report on the Proposed the PERS Golden Handshake Retirement
Under California Government Code Section 20903

BACKGROUND

The PERS "Golden Handshake" program, as established under California Government Code Section 20903, allows a City, as a part of a budget reduction process, to offer a retirement incentive of two years extra service credit to employees in designated positions. The parameters of the program require that the employees must be eligible to retire, have at least five years of service with PERS, and must retire within the period of time identified by the City Council. Additionally, the program requires the City to provide public notice of the potential costs and savings generated from implementing this program at least two weeks prior to the adoption of a resolution that it intends to offer this retirement option.

DISCUSSION

In July 2008, the City issued a Request for Proposal (RFP) for an interim operator for the Chuck Corica Golf Complex (Golf Complex). The interim operator would assume responsibility for management, operations, and maintenance of the facility. It is anticipated that a contract for an interim operator will be awarded prior to the end of calendar year 2008.

If a contract with an interim operator for the management, operations, and maintenance of the Golf Complex is awarded, this action will eliminate 21 positions at the Golf Complex. Labor contract provisions dictate that some Golf Complex employees will have "bumping rights" to positions in the Parks Division of the Recreation and Park Department; thus, the elimination of the Golf positions will also affect employees in the Parks Division. Fifteen Golf Complex and Parks Division employees are eligible for retirement in 2008. By offering the PERS "Golden Handshake" program to these 15 eligible employees, the City expects fewer employees to ultimately be laid off due to the transfer of management, operations, and maintenance of the Golf Complex to an interim operator.

The following positions would be affected by the interim operator agreement and have been identified for consideration for the Golden Handshake program. The number of positions within each classification is shown in parentheses:

<u>Department</u>	<u>Classification</u>
Golf Complex	Assistant Golf Professional (1)
Golf Complex	Equipment Operator (2)
Golf Complex	Golf & Park Maintenance Teamleader (2)
Golf Complex	Golf and Park Maintenance Worker (2)
Golf Complex	Golf Course Maintenance Superintendent (1)
Recreation & Parks	Golf and Park Maintenance Worker (5)
Recreation & Parks	Park Maintenance Leadperson (2)

BUDGET CONSIDERATION/FINANCIAL IMPACT

Per California Government Code Section 20903, the Maximum Estimated PERS Cost (MEPC) for the Golden Handshake program will be included in the City's employer contribution rate, calculated every 24 months by PERS and transmitted to the City in its Annual Valuation Report. A Golden Handshake incentive approved in Fiscal Year 08-09 would be included in the City's employer contribution rate for miscellaneous employees in Fiscal Year 2011-12 and thereafter.

Only the actuarial costs for those employees who retire under these provisions will be included in the MEPC re-calculation. Subsequent annual budget savings per fiscal year are calculated based on applicable incumbent salary information and assumes the positions are eliminated.

It is estimated that the PERS cost and annual savings to the Golf Course Fund and General Fund will be as follows, if all eligible employees accept the Golden Handshake. The number of positions within each classification is shown in parentheses:

<u>Department</u>	<u>Classification</u>	<u>Maximum Estimated PERS Cost (MEPC)*</u>	<u>Subsequent Annual Budget Savings</u>
<u>Golf Course Fund</u>			
Golf Complex	Assistant Golf Professional(1)	\$29,687.84	\$53,014.00
Golf Complex	Equipment Operator (2)	\$64,819.25	\$118,934.40
Golf Complex	Golf & Park Maint. TeamLdr (2)	\$78,583.23	\$152,588.80
Golf Complex	Golf & Park Maint. Worker (2)	\$53,259.65	\$113,318.40
Golf Complex	Golf Course Maint. Supt. (1)	<u>\$51,201.80</u>	<u>\$108,940.00</u>
	Golf Course Fund Subtotal	\$277,551.77	\$546,795.60

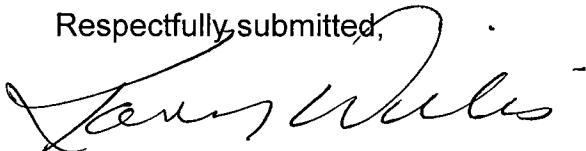
<u>Department</u>	<u>Classification</u>	<u>Maximum Estimated PERS Cost (MEPC) *</u>	<u>Subsequent Annual Budget Savings</u>
<u>General Fund</u>			
Recreation & Parks	Golf & Park Maint. Worker (5)	\$138,985.02	\$277,630.08
Recreation & Parks	Park Maint. Leadperson (2)	<u>\$66,176.17</u>	<u>\$128,210.16</u>
	General Fund Subtotal	<u>\$205,161.18</u>	<u>\$405,840.24</u>
	Grand Total	\$482,712.95	\$952,635.84

* Maximum Estimated PERS Cost (MEPC) will be included in the City's employer contribution rate and amortized over 20 years.

RECOMMENDATION

Receive this report identifying the costs of the proposed PERS Golden Handshake program and direct staff to prepare a resolution approving a Golden Handshake retirement period to be considered at the December 2, 2008 meeting.

Respectfully submitted,



Karen Willis
Human Resources Director

COUNCIL REFERRAL FORM

Name of Councilmember requesting referral: Mayor Johnson

Date of submission to City Clerk (must be submitted before 5:00 p.m. on the Monday before the Council meeting requested): October 27, 2008

Council Meeting date: November 6, 2008

Brief description of the subject to be printed on the agenda, sufficient to inform the City Council and public of the nature of the referral: _____

Discussion of referring Public Safety Memorandums of Understanding

to the Fiscal Sustainability Committee for review and consideration.

**CURRENT APPLICATIONS
HISTORICAL ADVISORY BOARD
ONE VACANCY
(REGISTERED ARCHITECT SEAT, FULL TERM EXPIRING JUNE 30, 2012)**

Dennis M. Owens